GOVERNMENT OF INDIA
COAL AND MINES
LOK SABHA

STARRED QUESTION NO:58
ANSWERED ON:04.03.2002
BAN ON IMPORT OF COAL
JASWANT SINGH BISHNOI;M.H. AMBAREESH

Will the Minister of COAL AND MINES be pleased to state:

(a) whether any new technique is being adopted for coal mining in the country;

(b) If so, the details thereof;

(c) The quantum of coal in tonnes imported during the last three years;

(d) The details of various coal grades which are being imported;

(e) Whether these coal grades are available in abundance in the country;

(f) if so, the reasons for its import;

(g) whether the Government propose to impose ban on import of coal;

(h) if so, the details thereof; and

(i) the steps being taken by the Government to protect and promote indigenous coal industry?

Answer

MINISTER FOR COAL AND MINES (SHRI RAM VILAS PASWAN)

(a) to (i):- A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN THE REPLIES TO PARTS (a) TO (i) OF LOK SABHA STARRED QUESTION NO.58 ASKED BY SHRI JASWANT SINGH BISHNOI AND SHRI AMBAREESH ANSWER ON 4.3.2002.

(a): Yes, Sir.

(b): Details of new techniques being adopted are -

i) Deployment of surface miner for selective mining of coal in opencast mines.

ii) In-pit crushing and conveying technology.

iii) Deployment of continuous miner and shuttle car for coal cutting, loading and transportation at the face in underground.

iv) In-pit crushing and conveying technology both for coal and overburden.

(c) & (d): Coal imports are under Open General License. Asper available information, details of coal imported in the last three years are indicated below:-

(In million tonnes)

Year	Coking coal	Non-coking coal	Coke

1998-99	10.02	6.51	1.57
1999-00	10.99	8.71	2.41
2000-01	11.06	9.87	2.42

(e) & (f): Import of coal and coke is being resorted to by consumers due to :-

i) Non-availability/inadequate availability of required quantity and quality indigenously.
ii) For blending with indigenous coal.
iii) Cost considerations including commercial terms.

(g): No, Sir.

(h): Does not arise.

(i) Bulk of imports of coal are coking coal and non-coking coal of low ash content. Since such coals are not adequately produced indigenously, there is no significant threat to the domestic coal industry from imports.

NOTE FOR SUPPLEMENTARIES TO THE LOK SABHA STARRED QUESTION NO.58 FOR ANSWER ON 4.3.2002

PREAMBLE

At the time of nationalisation, underground mining was the dominant mining technology. Most of the underground mines practised conventional Bord & Pillar mining with manual loading on coal tubs. During the last three decades since nationalisation, mechanised opencast operation has gradually become dominating mining technology with about 80% of the total production coming from opencast mining. In underground mining also, though the production has not increased, the share of mechanised Bord & Pillar operation has increased about 50% in CIL and to about 20% in SCCL.

In opencast, mechanisation is mostly through shovel - dumper system and draglines. In the case of underground, there has been extensive application of Load Haul Dumpers (LHD) and Side Discharge Loaders (SDL). Long wall technology has also been tried.

Q). What is the technology-wise coal production in CIL and SCCL ?

Ans. The details of technology-wise coal production in CIL and SCCL are given below:-

(in million tonnes)

	IX Plan 99-00 actual	00-11 actual	2001-02	02-03	
Coal India Limited					
Manual	1.02	1.11	0.91	1.11	1.11
Mechanised	207.24	216.47	223.25	225.72	231.69
Total opencast	208.26	217.58	224.16	226.83	232.80
Conventional B & P	28.32	25.10	26.45	24.32	23.03
Conventional LW	0.32	0.11	0.34	0.24	0.26
Mechanised B & P (SDL/LHD)	21.35	21.97	23.53	24.03	25.24
Mechanised LW	2.01	3.02	3.12	3.10	3.05
Continuos Miner	-	-	1.00	0.10	1.24
Special Methods	0.33	0.37	0.41	0.38	0.39

Total Underground	52.33	50.56	54.84	52.17	53.20
CIL Total	260.60	268.14	279.00	279.00	286.00

SCCL

Mechanised	16.77	16.49	17.02	16.76	17.98
Total Opencast	16.77	16.49	17.02	16.76	17.98
Conventional B & P	10.44	11.46	10.98	10.80	10.73
Conventional LW Mechanised B & P	0.26	0.10	0.50	0.45	0.54
(SDL/LHD) Mechanised LW	1.58	1.50	2.32	2.08	2.14
Continuos Miner					
Special Methods	0.51	0.73	1.57	0.92	1.12
Total Underground	12.79	13.79	15.36	14.25	14.53
SCCL Total	29.56	30.27	32.38	31.00	32.50

Q). Whether any new technique is being adopted for coal mining?

Ans. New technique are being adopted for coal mining both in the mines of CIL and SCCLDetails of new techniques being adopted are as under:-

i) Deployment of surface miner for selective mining of coal in opencast mines to produce better quality coal. This technology is already in operation in Mahanadi Coalfields Limited(MCL).4 no. of surface mines in operation in MCL produced about6 million tonnes of coal per year. This technology is proposed to be introduced in SCCL.

ii) In-pit crushing and conveying technology for coal. This is in operation in Piparwar OCP of C C L. Following are the figures of production through in-pit crusher and total production in Piparwar OCP:-

YEAR THROUGH IN-PIT TOTAL PRODUCTION CRUSHER (Million Tonnes)

(Million Tonnes)

97-98	6.50	7.61
98-99	6.40	7.64
99-00	6.35	7.60
00-01	6.50	8.00

iii) In-pit crushing and conveying technology both for coal and OB is being implemented in Ramagundam OC-II of S C C L. Production performance of the mine for the last five years is as under :-

1996-97	1997-98	1998-99	1999-2000	2000-01
Coal (in million tonne)	2.181	2.271	1.549	2.012	1.210
OB (in M.cu.m)	5.816	5.690	4.564	5.936	5.722

iv) Continuous miner and shuttle car will be deployed at Chirimiri `O` Seam Vindhya, Pinora and Tandsi. Modified continuous miner is being tried at Behraband.

Import of Coal

(Q). How is coal imported and actual figures for the last ten years?

Ans. Government do not import coal directly. Since the coal is under Open General Licence (OGL), imports are being resorted to by the consumers and import of coal is not monitored by Department of Coal. However, the total quantity of coal imported in the country during the last ten years as per information available with the Ministry of Coal is as follows:

Year wise import of coal and coke in India

(Quantity in million tonnes and Value in million Rupees)

Year	Coking Coal		Non-coking		Total Coal		Coke	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
1990-91	5.85	7335	0.19	228	6.05	7563	0.15	330
1991-92	5.27	8985	0.00	0	5.27	8985	0.65	1358
1992-93	6.33	1283	0.17	256	6.50	1309	0.25	735
1993-94	6.94	1360	0.39	557	7.33	1415	0.18	478
1994-95	9.87	1907	0.68	1008	10.56	2008	0.67	1860
1995-96	9.38	2122	3.13	5680	12.51	2690	1.18	4050
1996-97	10.62	2620	2.56	4848	13.18	3105	1.24	4261
1997-98	11.75	2966	4.70	7420	16.44	3708	2.28	7212
1998-99	10.02	2590	6.51	9659	16.54	3556	1.57	5651
1999-00	10.99	2261	8.71	1286	19.70	3547	2.41	8203
2000-01	11.06	2357	9.87	1695	20.93	4052	2.42	9994
2001-02	4.80	NA	4.85	NA	9.65	NA	1.09	NA
(Apr-Sep)								

Data Provisional

Q). Which sector imports how much coal? Details for the last four years:

Ans) The sector-wise breakup of imported coal is not monitored in the Department of Coal . However, figures collected for the last four years are shown in the table below.

(Figures in million tonnes) Sector-wise import of coal

	1997-98	1998-99	1999-00	2000-01
Coking Coal	11.74	10.02	10.99	11.06
Steel				
Non-coking coal	0.93	0.61	1.21	2.41
Power	3.52	4.66	6.04	5.00
	0.25	1.24	1.46	2.46
(Utilities)				
Cement				

Others				
Total	4.70	6.51	8.71	9.87
Grand Total	16.44	16.53	19.70	20.93

Most of the imports of coal are coming from Australia, South Africa and Indonesia.

Reasons for import of coal

Q) Why do steel plants import Coking Coal? What is the extent of such imports?

Ans. There is a gap between demand and production of coking and superior grade coal. There is only limited scope for closing this gap due to nature of the coking coal deposits and its limited reserves and production capacities in the country. Steel plants are importing coal
(i) to bridge the gap between the requirement and indigenous availability of coking coal of required quality
(ii) to improve the quality of overall blend for technical reasons for improving performance of blast furnace. Overall coking coal imports have been around 11 million tonnes.

Q) What are the reasons for import of non-coking Coal?

Ans. Indian coal is traditionally high ash coal and of low calorific value, because of mixing of the extraneous material in its geological formation itself. The extraneous material is difficult to remove because of its intimate mixing with the coal material. Further the occurrence and production of superior grade coal is limited. Hence on quality consideration, some consumers are importing coal. Further, for the last some years, import of coal, particularly non-coking coal is being resorted to by the consumers like cement plants on account of cost consideration.

Q) If the country can produce sufficient non-coking coal, why import of this coal is increasing?

Ans. Some Thermal Power Stations located near the coastal regionsare also importing non-coking coal because the present level of custom duty and railway freight structure makes such imports cost competitive per unit of calorific value on certain locations. Cement Plants also import non- coking coal due to cost, quality and flexibility in transportation from certain costal locations, even though, the indigenous production of coal is adequate to meet the non-coking coal demand in the country.

Q). How is that imported coal is cheaper than Indian coal in certain locations?

Ans. The following example will show how Indian coal is getting out priced by imported coal at certain destinations :

Destination	North Chennai TPS			Sikka TPS	
Source	ECL Raniganj Rewa	MCL Talcher	Indonesia Korea-	SECL Africa	South
Grade/GCV (KCAL/KG)	`B` ROM/6049 (5597)	PRM "F"ROM (3750)	6000	C ROM	PRM 6400
Total Coal price	1775.28 (Inclusive of Royalty, Sale tax etc.)	472.68 (Inclusive of Royalty, Sale tax etc.)	2007.25 (CIF)	1050.92 (Inclusive of Royalty Sale Tax etc.)	2189.41 (CIF)
(Rs. per tonne)					
Rail freight	365.52	252.20	77.88	1277.55	-
(a) Port charges (b)	260	419.00	133.00	-	288.00
Sea freight	311	270.00	-	-	-

(c) Handling charges	936.52	941.20	210.88	1277.55	288.00
(a)+(b)+(c) Total landed cost(Rs. per tonne)	2711.80	1413.88	2218.13	2328.47	2477.41
Landed Energy cost (Rs/ MKCal)	448.31	377.03	369.69	416.02	387.10

Note:

1. Import duty @ 30% charged on CIF price is included in the total price of imported coal.

2. CIF price of imported coal is considered at 33 US $/Te for Indonesian coal of GCV 6000 KCAL/KG And 36 US$/Te for S. African coal of GCV 6400 Kcal/Kg

Import Duty /Quantity of imports

Year	Coking		Non-coking		Total Quantity (in million tonnes)
	Import duty	Quantity Import duty	Quanti ty (in million tonnes)		
	Less than 12% ash	More than 12% ash			
1992-93	5%	85%	6.32	85%	0.42	6.74
1993-94	5%	85%	6.82	85%	0.57	7.39
1994-95	5%	35%	10.15	35%	1.24	11.39
1995-96	5%	35%	9.37	35%	3.14	12.51
1996-97	5%	22%	10.62	22%	2.56	13.18
1997-98	5%	15%	11.74	15%	4.70	16.44
1998-99	9.2%	19.6%	10.02	19.6%	6.51	16.53
1999-00	9.72%	21.16%	10.99	21.16%	8.71	19.70
2000-01	9.72%	21.16%	11.06	32.6%	9.87	20.93
2001-02	9.2%	19.6%	NA	30%	NA	NA

Note: Data Provisional

Q) How is railway freight affecting indigenous coal vis-Ã - vis imported coal?

Ans. Indian coal is also losing out to imported coal due to high railway freight over long distances. The following table will show as to how rail freight is rendering Indian coal as less cost effective on certain coastal areas/far off areas from the pithead.

Distance	Basic	State	Total	Rail	Total	Freight

(Km) of Coal	Price duties (In Rs.)	levies/ of Coal (In Rs.)	price for coal (In Rs.)	freight cost (In Rs.)	landed total landed cost	as % of
100	351	69.68	420.68	103.84	524.52	19.8%
500	351	69.68	420.68	391.88	812.56	48.23%
750	351	69.68	420.68	571.40	992.08	57.6%
1000	351	69.68	420.68	761.12	1181.80	64.4%
1400	351	69.68	420.68	1036.22	1456.90	71.12%
2000	351	69.68	420.68	1343.65	1764.33	76.16%

Over long distance, as in the case of SECL or MCL coal goingto GEB or MSEB, the rail freight is 200% to 300%of the pit head price.